

AMENDED IN SENATE APRIL 25, 2001

AMENDED IN SENATE MARCH 29, 2001

CALIFORNIA LEGISLATURE—2001–02 FIRST EXTRAORDINARY SESSION

SENATE BILL

No. 2

**Introduced by Senators Alarcon, Chesbro, Escutia, Sher, Soto,
and Vincent**

(Coauthors: Assembly Members Diaz, Firebaugh, Koretz, and
Oropeza)

January 17, 2001

An act to amend Sections 382, 739.1, and 2790 of, and to add Sections 382.1 and 386 to, the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

SB 2, as amended, Alarcon. Public utilities.

(1) Existing law requires the Public Utilities Commission to establish a program of assistance to low-income electric and gas customers, which is referred to as the California Alternate Rates for Energy or CARE program.

This bill would establish the Low-Income Oversight Board for the purpose of monitoring and evaluating the implementation of low-income programs for electricity and gas customers. The bill would require, beginning in 2002, the Low-Income Oversight Board to conduct ~~a comprehensive needs~~ *an* assessment of ~~both program implementation and the effectiveness of specific energy efficiency services~~ *need to enhance program delivery and ensure that funding adequately reflects certain needs*, on a periodic basis.



The bill would require the commission to ensure that the CARE discount correctly reflects the level of need of customers.

The bill would require the commission to work with public utility electrical and gas corporations to establish penetration goals. The bill would require the commission to adjust the current CARE balancing account of the utilities to ensure for maximum efficiency and greater program outreach.

~~The bill would require public utility electrical and gas corporations to work with public utility telephone corporations and other low-income programs to streamline the eligibility for low-income rate programs and would require that customers already enrolled in the Universal Lifeline Telephone Services program and eligible for the CARE program to be automatically enrolled in the CARE program the commission to collect data from Universal Lifeline Telephone Service (ULTS) providers on ULTS customers and enroll eligible customers into the CARE program. The bill would require the commission to work with ULTS providers to inform ULTS customers about low-income energy programs. The bill would require the commission to enhance the CARE application process, and to the extent possible, streamline ULTS and CARE applications and the enrollment process.~~ The bill would require that, until January 1, 2005, electricity and gas rates for CARE program participants be equivalent to those in effect as of January 1, 2000.

The bill would require weatherization programs to use the needs assessment conducted by the Low-Income Oversight Board to maximize efficiency of delivery.

(2) Existing law requires each local publicly owned electric utility that has not implemented programs for low-income electricity customers or completed an assessment of need for those programs on or before December 21, 2000, to perform a needs assessment, as prescribed, and determine the amount of total funds collected to be allocated to low-income programs.

~~This bill would require a local publicly owned electric utility that has not complied with these provisions to establish a program of rate assistance to low-income electric customers, the cost of which may not be borne solely by one class of customer, including requirements for a 30% rate discount, eligibility standards based on income, and 98% to increase the level of discounts or raise the eligibility level of existing low-income programs to be reflective of customer need, to streamline enrollment, and to establish penetration goals. The bill would authorize the local publicly owned electric utility to increase the level of the~~



~~discount or raise the eligibility level based on an assessment of customer need.~~ The bill would prohibit an increase in any customer surcharge as a result of this program.

(3) A violation of the Public Utilities Act is a crime. This bill would change the definition of that crime by adding new requirements for electric utilities, thereby imposing a state-mandated local program.

(4) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 382 of the Public Utilities Code is
2 amended to read:

3 382. (a) Programs provided to low-income electricity
4 customers, including, but not limited to, targeted
5 energy-efficiency services and the California Alternative Rates for
6 Energy program shall be funded at not less than 1996 authorized
7 levels based on an assessment of customer need.

8 (b) In order to meet legitimate needs of electric and gas
9 customers who are unable to pay their electric and gas bills and
10 who satisfy eligibility criteria for assistance, recognizing that
11 electricity is a basic necessity, and that all residents of the state
12 should be able to afford essential electricity and gas supplies, the
13 commission shall ensure that ~~the energy expenditure of~~
14 ~~low-income families does not exceed 8 percent of their entire~~
15 ~~income. Energy expenditure may be reduced through establishing~~
16 ~~different rates for such customers, rate assistance, and energy~~
17 *seniors and low-income families are not jeopardized or*
18 *overburdened by monthly energy expenditures. Energy*
19 *expenditure may be reduced through the establishment of different*
20 *rates for senior and low-income customers, different levels of rate*
21 *assistance, and energy efficiency programs.*

22 (c) Nothing in this section shall be construed to prohibit electric
23 and gas providers from offering any special rate or program for



1 low-income customers, seniors, or fixed income customers that is
2 not specifically required in this section.

3 (d) The commission shall allocate funds necessary to meet the
4 low-income objectives in this section.

5 (e) Beginning in 2002, an assessment of need shall be
6 conducted periodically by the Low-Income Oversight Board
7 pursuant to Section 382.1 to enhance program delivery and ensure
8 that funding adequately reflects low-income electricity and gas
9 customers' energy expenditures, hardship, language needs, and
10 economic burdens.

11 SEC. 2. Section 382.1 is added to the Public Utilities Code, to
12 read:

13 382.1. (a) A Low-Income Oversight Board shall be
14 established that shall report directly to the Legislature and work
15 with the commission for the purposes of monitoring and
16 evaluating the implementation of all programs provided to
17 low-income electricity and gas customers. The Low-Income
18 Oversight Board shall do, but is not limited to doing, all of the
19 following:

20 (1) Oversee the development of an assessment of customer
21 need pursuant to Section 382.

22 (2) Ensure that a comprehensive needs assessment is conducted
23 periodically to evaluate program implementation and the
24 effectiveness of specific weatherization services and energy
25 efficiency measures.

26 (3) Ensure collaboration between state and utility programs for
27 low-income electricity and gas customers *to maximize the*
28 *leverage of state and federal energy efficiency funds to both lower*
29 *the bills and increase the comfort of low-income customers.*

30 (4) Produce reports to the Legislature summarizing the
31 assessment of need, audits, and analysis of program
32 implementation.

33 (5) Work with the commission to reduce duplication of efforts.

34 (6) Work to streamline the application and enrollment process
35 of programs for low-income electricity and gas customers *with*
36 *general low-income programs, including, but not limited to, the*
37 *Universal Lifeline Telephone Service (ULTS) program.*

38 (7) *Promote the usage of the network of community service*
39 *providers in accordance with Section 381.5.*



(b) The Low-Income Oversight Board shall be comprised of 13 members to be selected by the commission from each of the following groups:

(1) Four members who have expertise in the low-income community and who are not affiliated with any state or utility group. *These members shall be selected in a manner to ensure an equitable geographic distribution.*

(2) One member who is a representative from the Governor's office.

(3) One member who is a designated representative of the commission and who has expertise in the area of low-income programs.

(4) One member who is a designated representative of the State Energy Resources Conservation and Development Commission.

(5) One member who is a representative of the Department of Community Services and Development Department.

(6) One member who is a provider for the Low-Income Home Energy Assistance Program (LIHEAP).

(7) Four members who are representatives from each of the electrical corporations and who have expertise in the area of programs for low-income electricity and gas customers.

(c) The Low-Income Oversight Board shall act independently of the commission *and shall alternate meeting locations between northern and southern California.*

(d) The Low-Income Oversight Board shall not have ratemaking authority, but shall ~~direct~~ *advise* the commission on low-income issues.

(e) The Low-Income Energy Board may establish a technical advisory committee to assist the board and may request utility representatives and commission staff to assist the technical advisory committee.

(f) The commission shall do all of the following in conjunction with the board:

(1) Work with the board and community-based organizations to increase participation in programs for low-income customers.

(2) Provide technical support to the board.

(3) Ensure that the energy burden of low-income electricity and gas customers is reduced.

(4) Provide formal notice of board meetings in the commissions' daily calendar.

(g) (1) Members of the board and members of the technical advisory committee shall be eligible for compensation in accordance with state guidelines for necessary travel.

(2) Members of the board and members of the technical advisory committee who are not salaried state service employees shall be eligible for reasonable compensation for attendance at board meetings.

(3) All reasonable costs incurred by the board, including, staffing, travel, and administrative costs, shall be part of the budget of the commission and the commission shall consult with the board in the preparation of ~~its~~ *that portion of the commission's* annual proposed budget.

(4) If the Low-Income Oversight Board is duplicative of the commission's Low-Income Advisory Board, the commission's Low-Income Advisory Board shall be dissolved and its budget shall be applied to the Low-Income Oversight Board's budget.

SEC. 3. Section 386 is added to the Public Utilities Code, to read:

386. (a) Each local publicly owned electric utility shall ensure the following:

(1) Low-income families within the utility's service territory have access to affordable electricity.

(2) The current level of assistance reflects the rising level of need.

(3) Low-income families are afforded energy efficiency measures that reduce energy consumption at no cost.

~~(b) If a local publicly owned electric utility has not complied with the provisions under subdivision (b) of Section 385 it shall establish a program of rate assistance to low-income electric customers, the cost of which may not be borne solely by any single class of customer. The local publicly owned electric utility shall establish a rate discount of 30 percent. Eligibility shall be established for individuals with income at or below 200 percent the federal poverty level or 60 percent of the state median income, whichever is higher.~~

~~(c)~~

~~(b)~~ The local publicly owned electric utility ~~may~~ *shall* increase the level of the discount or raise the eligibility level ~~based on an assessment for any existing rate assistance program to be~~ *reflective of customer need.*

~~(d)–~~

(c) A publicly owned electric utility shall streamline enrollment for low-income programs by collaborating with existing providers for the Low-Income Home Energy Assistance Program (LIHEAP), Universal Lifeline Telephone Service (ULTS) program providers, and other electric or gas providers within the same service territory.

~~(e) A local publicly owned electric utility shall establish a 98 percent penetration goal~~

(d) A local publicly owned electric utility shall establish penetration goals for its rate assistance program participation.

~~(f)–~~

(e) No provision of this section shall result in an increase in any surcharge for customers of a publicly owned electric utility.

SEC. 4. Section 739.1 of the Public Utilities Code is amended to read:

739.1. (a) The commission shall establish a program of assistance to low-income electric and gas customers, the cost of which shall not be borne solely by any single class of customer. The program shall be referred to as the California Alternate Rates for Energy or CARE programs. The commission shall ensure that the level of discount for low-income electric and gas customers correctly reflects the level of need.

(b) The commission shall work with the public utility electrical and gas corporations to establish penetration goals. The commission shall adjust the current CARE balancing account corporation to ensure for maximum efficiency and greater program outreach.

~~(c) Public utility electrical and gas corporations shall work with public utility telephone corporations, providers for the Low-Income Home Energy Assistance Program (LIHEAP), and other low-income programs to streamline the eligibility for low-income rate programs. Public utility electrical and gas corporations shall seek referrals from Universal Lifeline Telephone Service program (ULTS) providers, using ULTS data, to maximize CARE enrollment. The commission shall monitor the transfer of data to minimize any breach of confidentiality. To the extent possible, ULTS program customers eligible for CARE shall be automatically enrolled into the CARE program after customer affirmation. The commission shall work to develop methods to~~

~~1 automatically enroll eligible customers into multiple low-income
2 utility programs. The commission shall work with public utilities
3 to meet the low-income objectives in this section.~~

~~4 (d)–~~

5 (c) *The commission shall collect data from Universal Lifeline
6 Telephone Service (ULTS) providers on ULTS customers and
7 enroll eligible customers into the CARE program. The commission
8 shall work with ULTS providers to inform ULTS customers about
9 low-income energy programs. The reasonable costs incurred by
10 ULTS providers for CARE outreach shall be recovered from
11 commission allocated CARE funds.*

12 (d) *The commission shall enhance the CARE application
13 process, and to the extent possible, streamline ULTS and CARE
14 applications and the enrollment process. The commission shall
15 work with public utility electric and gas corporations, ULTS
16 providers, and the Low-Income Oversight Board established in
17 Section 382.1 to meet the low-income objectives in this section.*

18 (e) *The commission's program of assistance to low-income
19 electric and gas customers shall, as soon as practicable, include
20 nonprofit group living facilities specified by the commission, if
21 the commission finds that the residents in these facilities
22 substantially meet the commission's low-income eligibility
23 requirements and there is a feasible process for certifying that the
24 assistance shall be used for the direct benefit, such as improved
25 quality of care or improved food service, of the low-income
26 residents in the facilities. The commission shall authorize utilities
27 to offer discounts to eligible facilities licensed or permitted by
28 appropriate state or local agencies, and to facilities, including
29 women's shelters, hospices, and homeless shelters, that may not
30 have a license or permit but provide other proof satisfactory to the
31 utility that they are eligible to participate in the program.*

32 (e) *Notwithstanding any other provision of law, until January
33 1, 2005, electricity and gas rates for CARE program participants
34 shall be equivalent to those in effect as of January 1, 2000.*

35 SEC. 5. *Section 2790 of the Public Utilities Code is amended
36 to read:*

37 2790. (a) *The commission shall require an electrical or gas
38 corporation to perform home weatherization services for
39 low-income customers, as determined by the commission under
40 Section 739, if the commission determines that a significant need*

1 for those services exists in the corporation's service territory,
2 taking into consideration both the cost-effectiveness of the
3 services and the policy of reducing the hardships facing
4 low-income households.

5 (b) (1) For purposes of this section, "weatherization" may
6 include, where feasible, any of the following measures for any
7 dwelling unit:

8 (A) Attic insulation.

9 (B) Caulking.

10 (C) Weatherstripping.

11 (D) Low flow showerhead.

12 (E) Waterheater blanket.

13 (F) Door and building envelope repairs that reduce air
14 infiltration.

15 (2) The commission shall direct any electrical or gas
16 corporation to provide as many of these measures as are feasible
17 for each eligible low-income dwelling unit.

18 (c) "Weatherization" may also include other building
19 conservation measures, energy-efficient appliances, and energy
20 education programs determined by the commission to be feasible,
21 taking into consideration for all measures both the
22 cost-effectiveness of the measures as a whole and the policy of
23 reducing energy-related hardships facing low-income households.

24 (d) Weatherization programs shall use the needs assessment
25 pursuant to Section 382.1 to maximize efficiency of delivery.

26 SEC. 6. No reimbursement is required by this act pursuant to
27 Section 6 of Article XIII B of the California Constitution because
28 the only costs that may be incurred by a local agency or school
29 district will be incurred because this act creates a new crime or
30 infraction, eliminates a crime or infraction, or changes the penalty
31 for a crime or infraction, within the meaning of Section 17556 of
32 the Government Code, or changes the definition of a crime within
33 the meaning of Section 6 of Article XIII B of the California
34 Constitution.

O

